

**SECRET**

C O N T E N T S

(Information as of 1200 EDT, 8 October 1964)

THE COMMUNIST WORLD

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~~6~~ 25X1

INTERNAL DEVELOPMENTS IN THE SOVIET ECONOMY

2 OK

With agriculture in good shape this year, Soviet economists have turned their attention to the debate on economic liberalism, and the question of consumer welfare.



25X1

SOVIET-INDONESIAN NEGOTIATIONS IN MOSCOW

6 25X1

Moscow publicly endorsed Sukarno's policies and agreed in principle to supply additional arms. It seems likely, however, that the Indonesians also received private warnings not to risk even limited British military retaliation.



ASIA-AFRICA

SOUTH VIETNAMESE POLITICAL SITUATION STILL FRAGILE

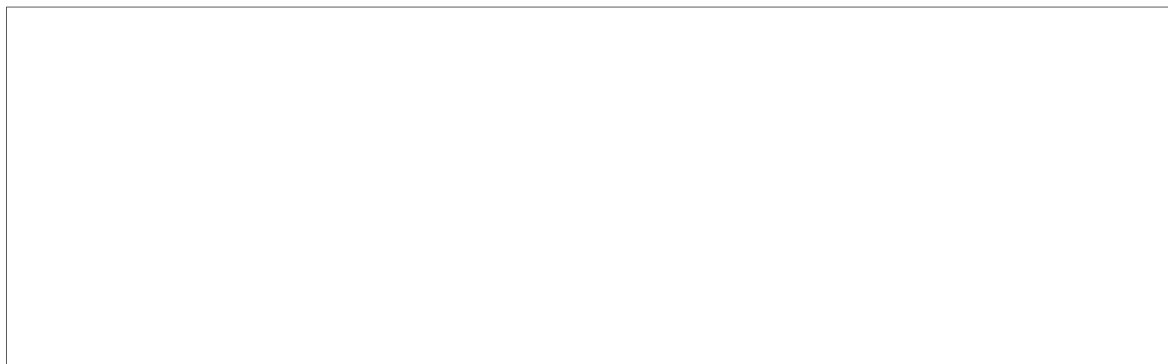
7 OK

Premier Khanh is taking a tougher stand to head off new labor agitation, but there are signs of new political problems.

AREA NOTE

7

On Syria



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**NONALIGNED CONFERENCE UNDER WAY**

8 OK

The dispute over Congo Premier Tshombé's attendance may be followed by other moves which will raise difficulties for the West.

**THE CYPRUS SITUATION**

9 OK

Turkish Cypriot leaders have still not agreed to arrangements for opening the Nicosia-Kyrenia road, and this issue prevents settlement of the problem of rotating the Turkish garrison on the island.

**PEIPING SCORES AGAIN IN AFRICA**

10

Communist China's campaign for wider recognition is making headway among moderate leaders of the former French dependencies, who have previously given Taipei crucially important diplomatic support.

**AREA NOTE**

On Southern Rhodesia

**LEOPOLDVILLE'S MILITARY POSITION IMPROVES**

12 OK

Congo Government forces have fared better this week than their Premier. Tshombé went to Cairo to attend the nonaligned conference but is now being held there as "hostage" for the Egyptian and Algerian embassies in Leopoldville.

**EUROPE**

14 OK

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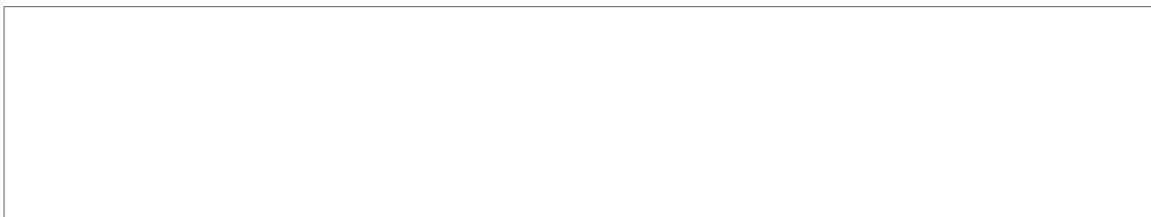
**SECRET**EUROPE (continued)

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**POLITICAL SITUATION IN ITALY**

15 OK

The Christian Democratic National Council's support for the center-left coalition and its program has minimized the threat of an immediate government crisis but unresolved factional differences in that party have strained relations within the coalition.

WESTERN HEMISPHERE**LABOR PROBLEMS IN BRAZIL**

17 OK

The government's slow progress in achieving an equitable balance between wages and the cost of living is causing increased dissatisfaction within organized labor and permitting a resurgence of Communist influence.

**AREA NOTES OK**

18

On Guatemala and on Venezuela

**ECUADOR JUNTA LOSES SOME PRESTIGE AND AUTHORITY**

19

The junta's concessions to Guayaquil demonstrators protesting tax reforms has cost the government prestige and somewhat undermined its ability to carry out needed reforms.

**AREA NOTES**

20

On Dominican Republic and on Bolivia

UNITED NATIONS**THE ISSUE OF CHINESE REPRESENTATION IN THE UN**

21

A resolution to give Nationalist China's seat in the UN to Communist China may be supported by a simple majority during the General Assembly session opening 10 November.

**PROSPECTS FOR APPLICATION OF ARTICLE 19 RECEIVE SETBACK**

22

India's public support of the Soviet and French positions that peacekeeping costs are not binding on member states which are unwilling to pay will make it far more difficult to line up Afro-Asian support for application of Article 19.

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